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U.S. COURT
DISTRICT OF ALABAMA

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:

MEADOWCRAFT, INC.,

Debtor.

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Case No. 02-06910
Chapter 11 Proceeding

**EMERGENCY MOTION FOR EXPEDITED
HEARINGS ON FIRST DAY MOTIONS
AND TO REDUCE NOTICE PERIOD ACCORDINGLY**

Meadowcraft, Inc., debtor and debtor-in-possession (the "Debtor"), pursuant to Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), requests the Court to set for expedited final hearing the following motions (collectively, the "Emergency Motions"):

A. Debtor's Motion Pursuant to Sections 345, 105(a), 1107(a) and 1108 of the Bankruptcy Code for an Order Authorizing It To Maintain Its Pre-Petition Cash Management System, and Waiving the Deposit and Investment Guidelines of 11 U.S.C. § 345 (the "Cash Management Motion");

B. Debtor's Motion for Authority to Pay Pre-Petition Wages, Salaries and Employee Benefits and to Honor Pre-Petition Checks for Payment of Pre-Petition Employee Obligations Pursuant to 11 U.S.C. §§ 105(a), 363(b), 507(a) And 1114(e) (the "Wages Motion");

C. Debtor's Motion for Authority to Pay Pre-Petition Sales Commissions Pursuant to 11 U.S.C. §§ 105(a), 363(b) and 507(a)(3) (the "Salespeople Motion");

D. Debtor's Motion for Extension of Time to File Schedules and Statement of Financial Affairs (the "Motion to Extend Time");

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E. Motion to Limit Notice and Service Requirements Pursuant to Sections 102(1)(A) and 105(a) of the Bankruptcy Code and Bankruptcy Rule 2002(m) and to Establish Procedures for Electronic Noticing (the "Notice Motion").

BACKGROUND

1. On September 3, 2002 (the "Filing Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101, et seq. (the "Bankruptcy Code").

2. The Debtor is operating its business and managing its affairs as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee, committee or examiner has been appointed in the Debtor's bankruptcy case.

3. The Debtor is a privately-owned corporation organized and existing under the laws of the state of Delaware with its principal place of business in Birmingham, Alabama.

4. The Debtor is the leading domestic producer of casual outdoor furniture and is the largest manufacturer of outdoor wrought iron furniture in the world. The Debtor designs, manufactures and distributes a variety of wrought iron consumer products, including outdoor and indoor furniture and accessories, and outdoor cushions and umbrellas, which it markets to mass merchandisers and specialty stores primarily in the United States. The Debtor believes that it has established a reputation as an innovator in the design, manufacturing, distribution and marketing of moderately priced, quality wrought iron furniture.

5. The Debtor offers consumers a wide variety of products across different price points in three markets: the outdoor mass market under the Plantation Patterns brand name; the

outdoor specialty market under the Meadowcraft, Arlington House, and Salterini brand names; and the indoor mass markets under the Home Collection from Plantation Patterns brand name.

6. The Debtor during peak production periods employs over 1,700 people, and presently employs over 1,200 people in the state of Alabama. The Debtor owns manufacturing facilities in Birmingham, Jefferson County, Alabama, Wadley, Randolph County, Alabama, and Selma, Dallas County, Alabama. The Debtor recently closed its manufacturing and distribution operations in Yuma, Arizona and Mexico.

7. The Debtor generated net sales of approximately \$123 million in fiscal year ending July 31, 2001. The Debtor suffered net operating losses of approximately \$46 million in fiscal year 2001. The Debtor estimates net sales of \$108 million in fiscal year ending July 31, 2002. Sales for fiscal year 2002 are lower than desired primarily as a result of the loss of approximately \$15 million in sales from two of the Debtor's large mass merchandise accounts, Service Merchandise and K-Mart, due to these companies' bankruptcy proceedings. Additionally, the Debtor's specialty market sales were \$5 million less than anticipated due to a down market for the industry. The Debtor projects operating losses of \$1 million and net losses of \$8 million to \$10 million in fiscal year 2002.

8. The Debtor's poor financial performance in fiscal year 2001 is attributable to numerous factors. These factors include: (1) difficulties with the installation of and conversion to new computer hardware and software systems; (2) substantial excess manufacturing capacity; (3) the manufacturing of product with low profit margins in an attempt to reduce costs associated with excess capacity; (4) reduced sales due to competition from China; and (5) reduced sales due to some mass merchandise customers being over stocked with product from China.

9. The Debtor's financial performance in fiscal year 2002 has substantially improved as a result of strong management and implementation of more stringent financial controls.

In March, 2001, the Debtor retained Marcus A. Watson of Finley Colmer & Company to assist the Debtor in its financial turnaround. Mr. Watson presently serves as President of the Debtor. Under Mr. Watson's guidance, the following financial improvements have been made: (1) general and administrative expenses have been reduced by over \$3 million; (2) manufacturing margins have improved from five percent (5%) to seventeen percent (17%); (3) product inventory has been reduced by \$14 million; (4) obsolete inventory in the amount of \$6 million has been sold; and (5) much of the excess manufacturing capacity has been eliminated through the closing of the Yuma, Arizona and Mexico facilities.

10. The Debtor has approximately \$43 million in secured indebtedness. First, as of August 28, 2002, the Debtor owed approximately \$77,000.00 to a group of banks (the "Revolving Lenders") under its \$65 million working capital revolving loan facility. Second, the Debtor owes approximately \$43 million to a group of banks (the "Term Lenders") who made term loans to the Debtor. The Revolving Lenders and the Term Lenders (collectively, the "Secured Parties") claim a lien on essentially all of the Debtor's assets.

11. In addition, the Debtor estimates its general unsecured debt to be approximately \$24 million. Of the foregoing, approximately \$16 million is owed to approximately sixty-two (62) trade vendors pursuant to vendor notes issued in the summer of 2001. The Debtor also has additional unsecured indebtedness in the principal amount of \$6 million owed to Blount Family Irrevocable Trust, L.L.C. and in the principal amount of \$37.5 million owed to Samuel R. Blount, plus interest accrued on the foregoing obligations.

SUMMARY OF RELIEF REQUESTED

12. The Debtor request emergency hearings on the Emergency Motions. The relief sought in each of the Emergency Motions warrants expedited relief. The Debtor's estate will suffer immediate and irreparable harm without emergency hearings on the Emergency Motions.

JURISDICTION AND NOTICE

13. The Debtor brings the instant motion (the "Motion") pursuant to Bankruptcy Rule 9006(c).

14. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334(b). The Motion is a core proceeding under 28 U.S.C. § 157(b).

15. No committee of unsecured creditors has been appointed in this case. The Debtor has served a copy of the Motion on the 20 largest unsecured creditors, Bank of America, counsel for Bank of America, Cardinal Investment Fund, LLC ("Cardinal"), counsel for Cardinal, LaSalle Business Credit, Inc. ("LaSalle"), counsel for LaSalle, Congress Financial Corporation ("Congress"), counsel for Congress, the Bankruptcy Administrator, and all parties requesting notice.

RELIEF REQUESTED

16. Bankruptcy Rule 9006(c) provides that the Court, for cause shown, may in its discretion with or without notice reduce the notice period normally required for motions.

Contemporaneously herewith, the Debtor has filed numerous motions and applications. The Debtor requests expedited hearings on the Emergency Motions, as follows:

a. The Cash Management Motion: For the reasons set forth in the Cash Management Motion, the Debtor seeks an expedited hearing on the Debtor's request to maintain its prepetition cash management system. An emergency hearing is necessary to avoid disruption of the Debtor's business operations. Without an immediate hearing on the Cash Management Motion, the Debtor will lose the ability to collect and effectively manage its cash and ensure timely payment of post-petition expenses.

b. The Wages Motion: For the reasons set forth in the Wages Motion, the Debtor requests an expedited hearing on the Debtor's request for authority to remain current on employee wage and benefits claims. An immediate hearing is necessary to provide protection to the Debtor's employees and to prevent the defection of the Debtor's workforce.

c. The Salespeople Motion: For the reasons set forth in the Salespeople Motion, the Debtor seeks an expedited hearing on the Debtor's request for authority to pay prepetition claims of Salespeople for sales commissions. Such immediate authority is necessary to help maintain the Debtor's network of Salespeople, a network which is crucial for positive customer relations.

d. The Motion to Extend Time: For the reasons set forth in the Motion to Extend Time, the Debtor seeks an expedited hearing on its request for an extension of two weeks beyond the time provided in Rule 1007(c) to file complete and accurate schedules. An immediate hearing is necessary because the deadline provided by Rule 1007(c) expires in 15 days and the Debtor needs approval of the extension to file the Schedules (as defined in the Motion to Extend Time) prior to that time.

e. The Notice Motion: For the reasons set forth in the Notice Motion, the Debtor requests an expedited hearing on its request to limit notice and service requirements in this bankruptcy case. An immediate hearing is necessary to prevent a waste of estate assets arising from the service of all pleadings on all creditors.

17. Based on the foregoing, the Debtor respectfully submits that the Court has cause to set the above matters for expedited hearing and to reduce the notice period accordingly.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests the Court to enter an order setting the Cash Management Motion, Wages Motion, Salespeople Motion, Motion to Extend Time, and the Notice Motion for final hearing on an expedited basis, to reduce the notice period for each motion accordingly, and to provide such other and further relief as the Court deems just and proper.

Respectfully submitted this 3rd day of September, 2002.

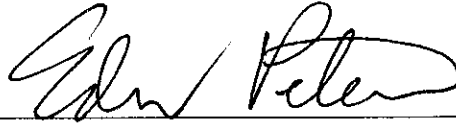


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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing upon all parties listed on Exhibit 1 attached hereto by the manner indicated therein, or by placing a copy of same in the United States Mail, first-class postage prepaid and addressed to its regular mailing address, on this 3rd day of September, 2002.

A handwritten signature in cursive script, appearing to read "Edm. Peter", is written over a horizontal line.

OF COUNSEL